

Brendan P. Cullen (SBN 194057)  
cullenb@sullcrom.com  
**SULLIVAN & CROMWELL LLP**  
550 Hamilton Avenue  
Palo Alto, CA 94301-2010  
Tel: +1-650-461-5600  
Fax: +1-650-461-5700

Alexander J. Willscher (*pro hac vice*)  
willschera@sullcrom.com  
Martin Erreich (*pro hac vice*)  
erreichm@sullcrom.com  
**SULLIVAN & CROMWELL LLP**  
125 Broad Street  
New York, NY 10004-2498  
Tel: +1-212-558-4000  
Fax: +1-212-558-3588

*Counsel for Plaintiffs SVF II Aggregator (DE) LLC*

**UNITED STATES DISTRICT COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**

SVF II AGGREGATOR (DE) LLC

Plaintiff,

v.

ABRAHAM SHAFI,  
GENRIKH KHACHATRYAN,  
YASSIN ANISS,  
NOAH SHAFI, and  
SHEHAB AMIN

Defendants.

Case No. 4:23-cv-03834-YGR

**PLAINTIFF'S CHART SUMMARIZING  
SECURITIES FRAUD ALLEGATIONS  
IN AMENDED COMPLAINT  
PURSUANT TO STANDING ORDER IN  
CIVIL CASES NO. 14**

The Hon. Yvonne Gonzalez Rogers

**PLAINTIFFS' CHART SUMMARIZING SECURITIES FRAUD ALLEGATIONS IN AMENDED COMPLAINT  
PURSUANT TO STANDING ORDER IN CIVIL CASES NO. 14 FOR THE HON. YVONNE GONZALEZ ROGERS**

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scierter
1	<p><u>When:</u> 04/05/2021</p> <p><u>Where:</u> Email</p> <p><u>Speaker:</u> Abraham Shafi</p> <p>(Am. Compl. ¶ 34)<sup>1</sup></p>	<p>“IRL at a glance” graphic asserting that IRL had:</p> <ul style="list-style-type: none"> <li>• “15% MoM Growth over 12 Months”</li> <li>• “400% YoY Growth”</li> <li>• “3.5M DAU”</li> <li>• “6.3M WAU”</li> <li>• “28 Chats per day per DAU”</li> <li>• “63% Monthly retained 19 months”</li> <li>• “1MM+ Hours in average time organized &amp; spent together a day”</li> <li>• “10% US Population under 30 Uses IRL”</li> </ul>	<p><b><u>Reasons Why Statement/Omission was False and Misleading When Made</u></b></p> <p>At the time the statement was made, IRL’s user metrics, including all those listed on the “IRL at a glance” graphic, were being intentionally manipulated with bots, enabled by proxy services.</p> <p>SoftBank reasonably understood the “users” referred to by Abraham Shafi to be “users” under a conventional active user definition, similar to that used by other social media companies. Abraham Shafi omitted that IRL used an overly broad active user</p>	<p>On March 17, 2022, days after Shehab Amin—Abraham Shafi’s cousin and long-time employee—was made aware of Cameron Boehmer’s bot allegations, IRL changed its Slack retention policy, permanently deleting communications between Defendants. (¶ 77)</p> <p>On March 18, 2022, days after Shehab Amin was made aware of Cameron Boehmer’s bot allegations, Boehmer was terminated from IRL. (¶ 79)</p> <p>Abraham Shafi knew that IRL’s user figures were based on more than app opens, as he reported to <i>The Information</i>. (¶ 86)</p>

<sup>1</sup> All “¶” references herein refer to the Amended Complaint (ECF No. 70) filed in *SVF II Aggregator (DE) LLC v. Shafi et al.*, No. 4:23-cv-03834-YGR. Unless otherwise defined herein, capitalized terms used herein have the meanings set out in the Amended Complaint.

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
			<p>definition, and would go on to misrepresent that IRL's active user definition required a "user" to open the app.</p> <p>Accordingly, the user metrics communicated by Abraham Shafi were not true or accurate statements of IRL's user activity. (¶¶ 204-06)</p> <p><b><u>Supporting Facts</u></b>  March 13, 2022 announcement from Cameron Boehmer that "99% of images . . . [are] uploaded by bots or scripts – not real users." (¶ 76)</p> <p>Spring 2022 resignations of Sean Abreau and Shahren Mizoyan after aiding Cameron Boehmer in his bot analyses and Boehmer's termination. (¶ 79)</p> <p>April 2022 letter from Cameron Boehmer stating that "IRL knew that the numbers it was disclosing included the high percentage of bot traffic."</p>	<p>Abraham Shafi's statement in response to SoftBank's June 18, 2022 questions that IRL changed its active user definition "roughly 2 years ago." (¶ 86)</p> <p>Abraham Shafi had access to IRL dashboards prior to the Series C Transaction, and IRL usage patterns reflected in data available in the dashboards were obviously inconsistent with human use. (¶¶ 89, 135-38)</p> <p>IRL tightly controlled access to user data and refused to share essential user data with other employees that typically would be given such access at a similar company. (¶¶ 89, 90, 100, 101, 153)</p> <p>Abraham Shafi attempted to discount Nick Grant's whistleblower report in communications with SoftBank's representative on</p>

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
			<p>(¶ 79)</p> <p>May 2022 Nick Grant report of “highly unusual traffic drops,” which were indicative of artificial user activity. (¶ 80)</p> <p>May 2022 Rae Allie resignation letter stating that he “strongly doubt[s] some of the numbers we report externally.” (¶ 81)</p> <p>May 12, 2022 <i>The Information</i> article reporting that IRL relied on “an unconventional definition” of an active user. (¶ 83)</p> <p>Abraham Shafi’s statement in May 12, 2022 <i>The Information</i> article “it is difficult for the measurement firms to track users who don’t open the IRL mobile app in a particular month but interact with the service through email and text messages or via Google Calendar.” (¶ 84)</p>	<p>IRL’s Board. (¶ 102)</p> <p>IRL terminated Nick Grant on February 3, 2023, less than two months after he made his whistleblower report. (¶ 104)</p> <p>Abraham Shafi interfered with the Special Committee’s attempts to access to IRL user data for Keystone’s analysis. (¶¶ 110, 112, 116)</p> <p>Abraham Shafi attempted to dissuade the Special Committee from investigating IRL’s users. (¶¶ 114-16)</p> <p>IRL didn’t maintain backups of user data, despite low cost and clear business reasons. (¶ 146)</p> <p>Abraham Shafi was aware of Format Agency, Machine Learning LLC, and Noah Shafi spending on proxy services. (¶ 149)</p> <p>Abraham Shafi’s family</p>

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
			<p>Abraham Shafi's statement in response to SoftBank's June 18, 2022 questions that IRL changed its active user definition "roughly 2 years ago." (¶ 86)</p> <p>IRL management note that IRL's active user definition "historically . . . leveraged heavily" email and sms. (¶ 88)</p> <p>IRL tightly controlled access to user data and refused to share essential user data with employees. (¶¶ 89, 90, 100, 101, 153)</p> <p>Employee comments that IRL's "on-app activity [doesn't] align with the behavior of 20M MAUs"; "most of [IRL's] users appear to be scams, spam, or bots"; and "we can't necessarily see [20 million MAUs] in the app behavior and usage." (¶ 90)</p>	<p>members were back-end engineers at IRL. (¶ 154)</p> <p>Abraham Shafi was financially motivated to fraudulently induce SoftBank's investment:</p> <ul style="list-style-type: none"> <li>• He profited by selling \$7.5 million of IRL shares to SoftBank on May 18, 2021 (¶ 52);</li> <li>• He unilaterally increased his base salary from \$250,000 to \$750,000, and his total salary to \$1.2 million after the Series C Investment (¶ 94);</li> <li>• He incurred millions of dollars of personal expenses on Company credit cards after the Series C Investment (¶ 117);</li> <li>• His family members benefitted through the sale of an additional \$2.5 million of IRL shares to SoftBank on May 18, 2021 (¶ 52); and</li> <li>• His family members benefitted through inflated salaries following the Series C Investment. (¶ 95)</li> </ul>

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
			<p>After Abraham Shafi's removal as CEO, IRL's active user population abruptly collapsed. (¶ 120)</p> <p>Alex Strand identified significant indicia of Proxy IP activity on IRL in April and May 2023. (¶¶ 122-29)</p> <p>IRL made large payments to proxy firms affiliated with IP addresses used to connect to IRL. (¶ 130)</p> <p>Keystone found patterns of group names and activity that suggested bot activity on IRL in Spring 2023. (¶¶ 135-38)</p> <p>Keystone's analysis of IRL IP addresses suggested 95% of IRL's users were bots for as long as IRL maintained sufficient user data for Keystone to perform its analysis. (¶¶ 139-47)</p> <p>Charges for "Paddle," an alternate name for proxy</p>	<p>IRL was a pre-revenue social media company reliant on its user metrics to raise capital. Abraham Shafi—as CEO, a Director, and a Co-Founder of IRL (a company with only 15 employees at least five of whom were his family members)—was necessarily familiar with IRL's suspect active user metrics; spending on bots and proxy services; and active user definition. (¶¶ 23, 33, 46, 192)</p>

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scierter
			<p>service provider SmartProxy, on company credit cards date back to January 2020. (¶ 150)</p> <p>Noah Shafi made payments to proxy providers Paddle, Oxylabs, and Luminati from September to November 2021. (¶ 150)</p> <p>Noah Shafi made payments for a secret AWS account in September 2021. (¶ 152)</p> <p>Abraham Shafi's family members were back-end engineers at IRL. (¶ 154)</p> <p>March 16, 2021 email from CEO of Mammoth Media to Abraham Shafi that "IRL got hit by a massive bot attack." (¶ 155)</p>	
2	<p><u>When:</u> 04/13/2021</p> <p><u>Where:</u> Orally &amp; Investor</p>	Abraham Shafi repeated the user metrics listed in his April 5, 2021 introductory email ( <i>i.e.</i> , Statement No. 1), both orally and in a written investor presentation.	These Statements were false and misleading when made for the same reasons and based on the same supporting facts detailed in Statement No. 1.	See Statement No. 1 for facts applicable to this Statement that give rise to a strong inference of scierter as to Abraham Shafi.

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
	<p>Presentation</p> <p><u>Speaker:</u> Abraham Shafi</p> <p>(Am. Compl. ¶ 36)</p>			
3	<p><u>When:</u> Over the course of the week following 4/19/2021</p> <p><u>Where:</u> Written Responses to “Follow-Up Due Diligence Questions”</p> <p><u>Speaker:</u> Abraham Shafi</p> <p>(Am. Compl. ¶ 39)</p>	<p>When asked by SoftBank, “What are the current user acquisition channels,” “Has there been any paid user acquisition,” and “What was CAC [customer acquisition cost] in those cases?” Abraham Shafi responded:</p> <p>“The dominant invite flow today is first to groups and second to events. We grow predominantly through direct SMS based invites from one user to another. This is a free organic channel (users are not incentivized or paid for these invites, and must invite each friend individually with no bulk invites.) Unlike other apps that spend aggressively to acquire new users, we spend very little.” And, “[w]e spend about \$50K a month in paid user acquisition. This is mainly to seed new geos [geographies] and interest</p>	<p><b><u>Reasons Why Statement/Omission was False and Misleading When Made</u></b></p> <p>At the time this statement was made, IRL was spending hundreds of thousands of dollars a month on growth spending. In particular, IRL was paying for app downloads through “incent” advertising schemes.</p> <p>Thus, Abraham Shafi misled SoftBank by misrepresenting IRL’s total growth spending, predominantly “organic” growth, and CAC; and by omitting that AdAction and Mammoth Media were key sources of app downloads for</p>	<p>Abraham Shafi was the sole IRL employee copied on emails with AdAction as early as March 2020. (¶ 164)</p> <p>AdAction invoices for hundreds of thousands of dollars for services in late 2020 and early 2021 were sent to Abraham Shafi at the time of their issuance. (¶¶ 164, 172)</p> <p>Abraham Shafi was copied on emails with Mammoth Media in February 2021 tracking their spending and cost-per-download. (¶ 167)</p> <p>Abraham Shafi was included on an email thread with</p>



Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
		groups, versus maintaining existing ones. Our CAC is ~\$0.50 per new user, and each new user on average results in a total of 21 additional users organically through multiple generations of referrals.”	<p>IRL. (¶¶ 209-11)</p> <p><b><u>Supporting Facts</u></b>  On September 28, 2022, Abraham Shafi admitted to SoftBank that IRL’s growth spending and CAC was three times higher than previously disclosed. (¶ 93)</p> <p>From December 2019 to May 2021, IRL paid AdAction over \$3.2 million overwhelmingly for “INCENT” services. (¶¶ 162-63)</p> <p>IRL ultimately spent over \$14.8 million with AdAction. (¶ 165)</p> <p>From February 2021 through March 2021, IRL paid Mammoth Media over \$1.7 million for growth services. (¶ 166)</p> <p>Mammoth Media’s cost-per-download was \$1.50. (¶ 167)</p>	<p>Mammoth Media regarding the performance of a Mammoth Media marketing campaign in March and April 2021. (¶ 168)</p> <p>Abraham Shafi routed payments for growth firms through Format Agency to avoid disclosure to Series C investors. (¶¶ 169-77)</p> <p>Format Agency issued backdated and miscategorized invoices at the direction of Abraham Shafi. (¶¶ 173-74)</p> <p>Abraham Shafi and Format Agency misled Gabi Loeb, IRL’s CFO, about Format Agency’s growth spending. (¶¶ 175-77)</p> <p>Abraham Shafi hid IRL’s relationship with Format Agency by delaying the formal hiring of Michael Sutyak until the day after the Series C Investment closed. (¶¶ 179-82)</p>

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
				<p>Abraham Shafi also had the same financial motives to induce SoftBank’s investment as detailed in Statement No. 1.</p> <p>IRL was a pre-revenue company exclusively reliant on investor capital to sustain itself. Abraham Shafi—as CEO, a Director, and a Co-Founder of IRL (a company with only 15 employees at least five of whom were his family members)—was aware that IRL spent almost \$3.2 million on incen advertising and \$4.95 million on growth just between AdAction and Mammoth Media. (¶¶ 9, 23, 32, 33, 192, 210)</p>
4	<p><u>When:</u> Over the course of the week following 4/19/2021</p> <p><u>Where:</u> Written</p>	<p>SoftBank asked, “What does a session mean” in reference to counting active users based on “session[s]” of platform usage. Abraham Shafi responded:</p> <p>“A session is an app open.”</p>	<p><b><u>Reasons Why Statement/Omission was False and Misleading When Made</u></b></p> <p>IRL used a broader definition for a session than “app open” to count user sessions. IRL’s count of user activity that Abraham Shafi used in teaser</p>	<p>Abraham Shafi knew that IRL’s user figures were based on more than app opens, as he reported to <i>The Information</i>. (¶ 86)</p> <p>Abraham Shafi’s statement in response to SoftBank’s June 18, 2022 questions that IRL</p>

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
	<p>Responses to “Follow-Up Due Diligence Questions”</p> <p><u>Speaker:</u> Abraham Shafi</p> <p>(Am. Compl. ¶ 39)</p>		<p>materials to SoftBank included users who interacted with the IRL mobile app through email, text message, or Google Calendar. (¶¶ 216-18)</p> <p><b><u>Supporting Facts</u></b>  May 12, 2022 <i>The Information</i> article reporting that IRL relied on “an unconventional definition” of an active user. (¶ 83)</p> <p>Abraham Shafi’s statement in May 12, 2022 <i>The Information</i> article “it is difficult for the measurement firms to track users who don’t open the IRL mobile app in a particular month but interact with the service through email and text messages or via Google Calendar.” (¶ 84)</p> <p>Abraham Shafi’s statement in response to SoftBank’s June 18, 2022 questions that IRL changed its active user definition “roughly 2 years ago.” (¶ 86)</p>	<p>changed its active user definition “roughly 2 years ago.” (¶ 86)</p> <p>Abraham Shafi also had the same financial motives to induce SoftBank’s investment as detailed in Statement No. 1</p>

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
			IRL management note that IRL's active user definition "historically . . . leveraged heavily" email and sms. (¶ 88)	
5	<p><u>When:</u> Over the course of the week following 4/19/2021</p> <p><u>Where:</u> Written Responses to "Follow-Up Due Diligence Questions"</p> <p><u>Speaker:</u> Abraham Shafi</p> <p>(Am. Compl. ¶ 39)</p>	<p>When asked by SoftBank, "The m-o-m [month-on-month] sign-ups tend to fluctuate a bit every month, what is creating the variability month to month? It appears that in some months, sign-ups have declined." Abraham Shafi responded:</p> <p>"There is some natural variability in signups due to seasonality around certain events and when we launch new geos. We have not focused on massive top line growth but rather retention &amp; engagement to date to ensure our growth is lasting and that our engagement is deepening."</p>	<p>There was not "natural variability in signups due to seasonality," and Abraham Shafi was not "focused on . . . retention &amp; engagement" or "deepening" "engagement." (¶¶ 207-08)</p> <p>This Statement was false and misleading when made for the same reasons and supporting facts detailed in Statement Nos. 1, 3 and 4.</p>	See Statement Nos. 1, 3, 4 and 5 for facts applicable to this Statement that give rise to a strong inference of scienter as to Abraham Shafi.

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
6	<u>When:</u> 04/20/2021  <u>Where:</u> Orally & Investor Presentation  <u>Speaker:</u> Abraham Shafi  (Am. Compl. ¶ 40)	Abraham Shafi repeated the user metrics listed in his introductory email, both orally and in writing in the form of an investor presentation.	This Statement was false and misleading when made for the same reasons and based on the same supporting facts detailed in Statement No. 1.	See Statement No. 1 for facts applicable to this Statement that give rise to a strong inference of scienter as to Abraham Shafi.
7	<u>When:</u> 04/21/2021  <u>Where:</u> Email  <u>Speaker:</u> Defendant Abraham Shafi  (Am. Compl. ¶ 42)	When asked by Softbank why IRL user metrics did not align with third-party verification services, Abraham Shafi responded that the third-party report was “definitely not accurate” for two reasons. First, he explained that the report’s focus solely on app downloads would not capture all IRL users who accessed the IRL platform via both the app and the internet website because “[w]e have a younger audience” and “anyone under 18 [years old] is technically not allowed to be tracked or have their data shared due to privacy reasons”—thus, IRL’s	It was not true that third-party reports of IRL’s user base were “definitely not accurate” or that the third-party tracker could not capture the activity of IRL’s actual users. This Statement was false and misleading when made for the same reasons and based on the same supporting facts detailed in Statement Nos. 1, 3, 4 and 5.	See Statement Nos. 1, 3, 4 and 5 for facts applicable to this Statement giving rise to a strong inference of scienter as to Abraham Shafi.

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
		audience is difficult for auditors to estimate.		
8	<p><u>When:</u> 04/21/2021</p> <p><u>Where:</u> Email</p> <p><u>Speaker:</u> Abraham Shafi</p> <p>(Am. Compl. ¶ 42)</p>	When asked why IRL experienced monthly variations in download data, Abraham Shafi explained that the monthly variations in downloads were “due to seasonality.”	Monthly variations in download data were not “due to seasonality” and were instead due to bot activity and the application of growth schemes such as incent advertising. This Statement was false and misleading when made for the same reasons and based on the same supporting facts detailed in Statement Nos. 1, 3, 4 and 5.	See Statement Nos. 1, 3, 4 and 5 for facts applicable to this Statement that give rise to a strong inference of scienter as to Abraham Shafi.
9	<p><u>When:</u> 04/21/2021</p> <p><u>Where:</u> Email</p> <p><u>Speaker:</u> Abraham Shafi</p> <p>(Am. Compl. ¶ 42)</p>	When asked for IRL’s definition of a MAU, Abraham Shafi explained:  “MAU is opened app or signed in/signup to web and has a session.”	IRL’s definition of MAU did not depend on users “opened app or signed in/signup to web and has a session,” but rather was based largely on the presence of bot activity and an overly expansive definition of a user. This Statement was false and misleading when made for the same reasons and based on the same supporting facts detailed in Statement Nos. 1 and 4.	See Statement Nos. 1 and 4 for facts applicable to this Statement that give rise to a strong inference of scienter as to Abraham Shafi.

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
10	<p><u>When:</u> 04/29/2021</p> <p><u>Where:</u> SoftBank Due Diligence Meeting</p> <p><u>Speaker:</u> Abraham Shafi</p> <p>(Am. Compl. ¶ 48)</p>	<p>When asked by SoftBank in a finance due diligence meeting:</p> <ul style="list-style-type: none"> <li>• “What will be the Company’s primary focus on investing / deploying capital in the business? (User acquisition vs. product vs. other) . . . .”</li> <li>• “What are the team’s thoughts on deploying capital for user acquisition, especially as it relates to new market growth / expansion?”</li> <li>• “What channels has IRL deployed marketing spend? Which tend to yield the highest ROI?”</li> <li>• “Has there been any paid user acquisition? What was CAC in these cases?”</li> </ul> <p>Abraham Shafi responded by describing IRL’s purported historic marketing efforts and plans for future spending on growth. Among other things, he described how IRL’s “best” growth channels were “Snapchat, Reddit, Google Search Ads, and TikTok.” He also spoke of plans to monetize IRL for investors by leveraging users, including by</p>	<p>Growth was not “organic,” “with very limited growth spending.” Instead, IRL was achieving app downloads by spending large sums on schemes such as incent advertising. (¶¶ 160-67)</p> <p>The failure to disclose AdAction and Mammoth Media as growth channels, when IRL had spent over 15% of its total capital raised on their growth services, was also a material omission. (¶ 210)</p> <p>This Statement was false and misleading when made for the same reasons and based on the same supporting facts detailed in Statement No. 3.</p>	<p>See Statement No. 3 for facts applicable to this Statement that give rise to a strong inference of scienter as to Abraham Shafi.</p> <p>Abraham Shafi also had the same financial motives to induce SoftBank’s investment as detailed in Statement No. 1.</p>

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
		charging users a fee for accessing content on the platform.		
11	<p><u>When:</u> 05/18/2021</p> <p><u>Where:</u> Disclosure Schedule to Primary Purchase Agreement</p> <p><u>Speaker:</u> Abraham Shafi</p> <p>(Am. Compl. ¶ 54)</p>	<p>IRL’s relationships with Live Awake Inc., Socialite Studios, and App Inc., were not disclosed to SoftBank as related party transactions, despite numerous requests to disclose related party transactions.</p> <p>IRL’s relationships with Machine Learning LLC and Format Agency were not fully disclosed to SoftBank. The disclosure schedule to the Primary Purchase Agreement only referred to them, respectively, as providers of “services” and “consulting,” with no mention of Shehab Amin’s or Michael Sutyak’s affiliations with the entities, the magnitude of IRL’s payments to the companies, or the “services” that they provided.</p>	<p><b><u>Reasons Why Statement/Omission was False and Misleading When Made</u></b></p> <p>SoftBank asked about relationships between IRL and its employees and contractors, including whether the company had any material undisclosed agreements with its directors, officers, and others associated with the company. (¶¶ 212-15)</p> <p><b><u>Supporting Facts</u></b></p> <p>Format Agency was affiliated with Michael Sutyak. (¶ 170)</p> <p>IRL paid Format Agency hundreds of thousands of dollars between October 2020 and May 2021. (¶¶171-73)</p> <p>Michael Sutyak’s employment contract was dated May 18, 2021, one day after the Series C Investment closed. (¶ 179)</p>	<p>Abraham Shafi was directly involved in payments to Format Agency. (¶ 172)</p> <p>Abraham Shafi delayed offering Michael Sutyak employment until after the Series C Investment closed. (¶¶ 179-80)</p> <p>Abraham Shafi knew about IRL’s payments to Live Awake Inc., Socialite Studios, App Inc., and Machine Learning LLC. (¶ 190)</p> <p>Abraham Shafi also had the same financial motives to induce SoftBank’s investment as detailed in Statement No. 1.</p> <p>IRL was a pre-revenue company reliant on investor capital to sustain itself. Abraham Shafi—as CEO, a Director, and a Co-Founder of IRL (a company with only 15</p>



Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
			<p>Michael Sutyak's employment contract states that his employment began on May 3, 2021. (¶ 179)</p> <p>Michael Sutyak was acting as an IRL employee in early 2021. (¶ 181)</p> <p>Abraham Shafi was affiliated with Live Awake Inc. IRL paid Live Awake Inc. at least \$620,000 dollars prior to the Series C Investment. IRL's relationship Live Awake Inc. was not disclosed to SoftBank. (¶¶ 185-86)</p> <p>Genrikh Khachatryan was affiliated with Socialite Studios. IRL paid Socialite Studios at least \$230,000 prior to the Series C Investment. IRL's relationship with Socialite Studios was not disclosed to SoftBank. (¶ 187)</p> <p>App Inc. was affiliated with Noah Shafi and Yassin Aniss.</p>	<p>employees at least five of whom were his family members)—was aware of payments totaling hundreds of thousands of dollars to himself, his fellow co-founder, and his family members. (¶ 192)</p>

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
			<p>IRL paid App Inc. at least \$294,000 prior to the Series C Investment. IRL's relationship with App. Inc. was not disclosed to SoftBank. (¶ 188)</p> <p>Machine Learning LLC was affiliated with Shehab Amin. IRL paid Machine Learning LLC at least \$35,000 prior to the Series C Investment. Machine Learning LLC's relationship to Shehab Amin was not disclosed to SoftBank. (¶ 189)</p>	
<b>12</b>	<p><u>When:</u> 05/18/2021</p> <p><u>Where:</u> Primary Purchase Agreement</p> <p><u>Speaker:</u> Abraham Shafi</p> <p>(Am. Compl.</p>	<p>Section 2.8(e) of the Primary Purchase Agreement:</p> <p>“An ‘active user’ is ‘a natural person who (i) has registered with the App as a North American resident and has logged in and engaged with the App at least once during the applicable period and (ii) to the Knowledge of the Company, is in compliance with the App Terms . . .”</p> <p>“[T]o the Company’s Knowledge, no</p>	<p>This Statement was false and misleading when made for the same reasons and based on the same supporting facts detailed in Statement Nos. 1 and 4.</p>	<p>See Statement Nos. 1 and 4 for facts applicable to this Statement that give rise to a strong inference of scienter as to Abraham Shafi.</p>

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter																								
	¶ 54)	Active User was generated by any click farm or similar service, bot, automated program or similar device.”																										
13	<p><u>When:</u> 05/18/2021</p> <p><u>Where:</u> Disclosure Schedule to Primary Purchase Agreement</p> <p><u>Speaker:</u> Abraham Shafi</p> <p>(Am. Compl. ¶ 54)</p>	<p>Section 2.8(e) of the Disclosure Schedule:</p> <table><tr><th>Month</th><th>MAUs</th><th>WAUs</th><th>DAUs</th></tr><tr><td>December 2020</td><td>11.8M</td><td>5.8M</td><td>2.2M</td></tr><tr><td>January 2021</td><td>11.8M</td><td>6M</td><td>2.4M</td></tr><tr><td>February 2021</td><td>11.9M</td><td>6M</td><td>2.4M</td></tr><tr><td>March 2021</td><td>13M</td><td>6.7M</td><td>3.2M</td></tr><tr><td>April 2021</td><td>12.8M</td><td>7M</td><td>3.6M</td></tr></table>	Month	MAUs	WAUs	DAUs	December 2020	11.8M	5.8M	2.2M	January 2021	11.8M	6M	2.4M	February 2021	11.9M	6M	2.4M	March 2021	13M	6.7M	3.2M	April 2021	12.8M	7M	3.6M	This Statement was false and misleading when made for the same reasons and based on the same supporting facts detailed in Statement Nos. 1 and 4.	See Statement Nos. 1 and 4 for facts applicable to this Statement that give rise to a strong inference of scienter as to Abraham Shafi.
Month	MAUs	WAUs	DAUs																									
December 2020	11.8M	5.8M	2.2M																									
January 2021	11.8M	6M	2.4M																									
February 2021	11.9M	6M	2.4M																									
March 2021	13M	6.7M	3.2M																									
April 2021	12.8M	7M	3.6M																									
14	<p><u>When:</u> 05/18/2021</p> <p><u>Where:</u> Primary Purchase Agreement</p> <p><u>Speaker:</u></p>	<p>Section 2.11(a) pf the Primary Purchase Agreement:</p> <p>“There are no agreements, understanding or proposed transaction (in any case oral or written) between the Company and any of its officers, directors, consultants or Key Employees, or any Affiliate thereof.”</p>	<p><b><u>Reasons Why Statement/Omission was False and Misleading When Made</u></b></p> <p>Format Agency, Live Awake Inc., Socialite Studios, App Inc., and Machine Learning LLC were controlled by Key Employees of IRL, so the</p>	<p>This Statement made with scienter for the same reasons and based on the same supporting facts detailed in Statement No. 11.</p> <p>Abraham Shafi also had the same financial motives to induce SoftBank’s investment</p>																								

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
	Abraham Shafi  (Am. Compl. ¶ 54)		<p>relationship between IRL and these third parties should have been disclosed. Thus, contrary to this representation, IRL did, in fact, have “agreements” with “Key Employees.” (¶ 91)</p> <p><b><u>Supporting Facts</u></b>  Abraham Shafi was an officer and director of IRL. (¶ 23)</p> <p>Genrikh Khachatryan held the title of “co-founder”; was held out by IRL during the due diligence process as assisting with IRL’s responses to SoftBank’s questions; was one of three people (including Abraham Shafi) whose knowledge comprised “Company Knowledge”; and was a “senior engineer” at the Company. Thus, he was an executive-level employee and division head of IRL. (¶¶ 24, 37, 54)</p> <p>Noah Shafi held the title “Head of Engineering.” Thus, he was an executive-level</p>	as detailed in Statement No. 1.

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
			<p>employee and division head of IRL. (¶ 26)</p> <p>Defendants were founding team members of IRL. (¶ 29)</p> <p>Defendants were Key Employees of IRL. (¶ 54)</p> <p>This Statement was also false and misleading when made for the same reasons and based on the same supporting facts detailed in Statement No. 11.</p>	
15	<p><u>When:</u> 05/18/2021</p> <p><u>Where:</u> Primary Purchase Agreement</p> <p><u>Speaker:</u> Defendant Abraham Shafi</p> <p>(Am. Compl. ¶ 54)</p>	<p>Section 2.21 of the Primary Purchase Agreement:</p> <p>“The Company has made available to the Purchasers all the information that would reasonably be required for deciding whether to acquire the Shares. No representation or warranty of the Company contained in this Agreement, as qualified by the Disclosure Schedule, and no certificate furnished or to be furnished to Purchasers at the Closing contains any untrue statement of a material fact or omits to state a material fact</p>	<p>This Statement was false and misleading when made for the same reasons and based on the same supporting facts detailed in Statement Nos. 1, 3, 4, 11, and 14.</p>	<p>See Statement Nos. 1, 3, 4, 11, and 14 for facts applicable to this Statement that give rise to a strong inference of scienter as to Abraham Shafi.</p>

Statement No.	Date Medium Speaker	False and Misleading Statements and Omissions	Reasons Statement or Omission was False and Misleading When Made	Facts Giving Rise to Strong Inference of Scienter
		necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.”		
16	<p><u>When:</u> 05/18/2021</p> <p><u>Where:</u> Primary Purchase Agreement</p> <p><u>Speaker:</u> Defendant Abraham Shafi</p> <p>(Am. Compl. ¶ 54)</p>	<p>Section 2.23 of the Primary Purchase Agreement:</p> <p>“The Company has delivered to each Purchaser its unaudited financial statements as of March 31, 2021, and for the fiscal year ended December 31, 2020 . . . The Financial Statements fairly present in all material respects the financial condition and operating results of the Company as of the dates, and for the periods, indicated therein . . .”</p>	<p><b><u>Reasons Why Statement/Omission was False and Misleading When Made</u></b></p> <p>IRL’s financial statements did not “fairly present in all material respects the financial condition and operating results of the Company.” They inaccurately portrayed IRL’s spending on “infrastructure” and “growth.” (¶ 219)</p> <p><b><u>Supporting Facts</u></b></p> <p>This Statement was false and misleading when made for the same reasons and based on the same supporting facts detailed in Statement Nos. 1, 3, 4, 11, and 14.</p>	<p>Abraham Shafi had knowledge of and directed IRL’s significant spending on growth and incent advertising prior to making this Statement. (¶¶ 209-11)</p> <p>Prior to causing this Statement to be issued, Abraham Shafi directed Format Agency to issue IRL inaccurate invoices to conceal payments to incent advertising firms. (¶¶ 173-77)</p> <p>Abraham Shafi also had the same financial motives to induce SoftBank’s investment as detailed in Statement No. 1.</p>

1 Dated: June 17, 2024

Respectfully submitted,

2 **SULLIVAN & CROMWELL LLP**

3 By: /s/ Brendan P. Cullen

4 Brendan P. Cullen (SBN 194157)

Alexander J. Willscher (*pro hac vice*)

5 Martin Erreich (*pro hac vice*)

6 Counsel for Plaintiff *SVF II Aggregator (DE) LLC*

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28